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03-04-08
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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of California-American Water Company (U 210 W) for an Order Authorizing a Special Conservation Program and Modifications to its Rate Design in its Monterey District, and Authorization to Increase its Rates for Water Service in its Monterey District.

Application 07-12-010
(Filed December 14, 2007)

Application of California-American Water Company (U210W) for Authorization to Increase its Revenues for Water Service in its Felton District by \$664,900 or 54.42% in the year 2009; \$117,700 or 6.24% in the year 2010; and \$118,200 or 5.89% in the year 2011.

Application 08-01-022
(Filed January 30, 2008)

Application of California-American Water Company (U210W) for Authorization to Increase its Revenues for Service in its Monterey Wastewater District by \$1,387,600 or 83.47% in the year 2009; \$195,400 or 6.32% in the year 2010; and \$212,800 or 6.40% in the year 2011.

Application 08-01-023
(Filed January 30, 2008)

Application of California-American Water Company (U210W) for Authorization to Increase its Revenues for its General Office by \$5,499,716 or 33.51% in the year 2009; \$424,049 or 1.94% in the year 2010; and \$456,078 or 2.04% in the year 2011.

Application 08-01-024
(Filed January 30, 2008)

Application of California-American Water Company (U210W) for Authorization to Increase its Revenues for Water Service in its Monterey District by \$24,718,200 or 80.30% in the year 2009; \$6,503,900 or 11.72% in the year 2010; and \$7,598,300 or 12.25% in the year 2011 Under the Current Rate Design and to Increase its Revenues for Water Service in the Toro Service Area of its Monterey District by \$354,324 or 114.97% in the year 2009; \$25,000 or 3.77% in the year 2010; and \$46,500 or 6.76% in the year 2011 Under the Current Rate Design.

Application 08-01-027
(Filed January 30, 2008)

**JOINT ADMINISTRATIVE LAW JUDGES' RULING SETTING PREHEARING
CONFERENCE, REQUIRING SUPPLEMENT TO APPLICATION, AND
SETTING FILING DATE FOR REPLIES TO THE PROTESTS**

Prehearing Conference

California-American Water Company (Cal Am) has filed the five above-captioned applications seeking rate increases in its Felton and Monterey districts as well as its General Office. A prehearing conference in all five proceedings shall be held:

**Thursday, March 20, 2008
1:00 p.m.
Commission Hearing Rooms
State Office Building
505 Van Ness Avenue
San Francisco, CA 94102**

The parties shall appear and be prepared to address the issues set out below, among others, and to set a schedule for these proceedings.

Supplement to Application

In Decision 07-05-062, the Commission required that all General Rate Case applications contain specific data and information. The purpose of these requirements is to enable the Commission staff and other parties to promptly understand the issues in the proceeding, which in turn facilitates focused protests and scoping memos. Vague descriptions without cost data and projected revenue requirement impact are not sufficient to achieve this goal. A succinct statement of the rationale supporting the proposed outcome is also essential. For efficient analysis, all this information must be included in the application, not in various attachments. Accordingly, when adopting the Rate Case Plan, the Commission stated that the “application must contain the following summary information,” and then set forth a table and description of the needed information, which are reproduced below:

General Rate Case Application Requirements

The application must contain the following summary information:

A. Summary of Requested Revenue Requirement and Rate Base Changes

Compare the proposed amounts to the last adopted and last recorded amounts to determine the difference in dollars and percentages. Show the difference, i.e., the proposed change, in a table, as set out below.

Comparison Between Proposed Test Year and Last Test Year Adopted and Last Recorded Year			Proposed Test Year
	Last Test Year	Last Recorded Year ¹	
Total Rev Req \$			
Rate Base \$			
Rate Base %			
Operating Expenses \$			
Operating Expenses %			
Rate of Return			

B. Primary Cost Increases

List the five most significant issues, in dollar terms that the utility believes require a rate change. Identify the cause of cost increases.

C. Issues of Controversy

List the major controversial issues included in the GRC filing. Include the dollar impact of these issues, and a brief summary of the utility's rationale on this subject.

The four submitted General Rate Case applications² do not comply with these requirements. While the information actually may reside somewhere in the multi-volume sets of documents, the Commission's purpose of encouraging efficient analysis of general rate case filings is not furthered by compound internal references to obtain the basic information about an issue.

Therefore, Cal Am shall prepare, file, and serve supplements to its applications that provide a logical and quantitative overview of the issues in the

¹ Use most recent 12 months of available data; revise with complete calendar year data when available.

² Application (A.) 08-01-022, A.08-01-023, A.08-01-024, and A.08-01-027.

proceeding as required by the Rate Case Plan.³ Cal Am shall include specific dollar amounts as well as test year revenue requirement impacts for each issue. Most importantly, Cal Am shall explain the primary factors driving these substantial proposed rate increases, as well as the cumulative effects of these increases and the proposed conservation rate design.

In addition, the supplements shall address the following issues:

- A. Which memorandum accounts require prudence review of the underlying project, in addition to reasonableness review of the amounts recorded? Specify the amount at issue and any previous Commission action on the project.
- B. Explain the following statement from Section 3.6 of the applications:

“applicant anticipates that, subsequent to the filing of the proposed application and final application and prior to the issuance of a decision by the Commission, it may file one or more advice letter requests . . . to offset unanticipated increases in expenses” or “file one or more advice letters requesting recovery of captured balances in its various memorandum or balancing accounts.”
- C. Quantify and succinctly summarize the facts supporting each “special request.”

Replies to Protests

Pursuant to Rule 2.6(e) of the Commission’s Rules of Practice and Procedure, Cal Am shall file and serve replies to the protests to these applications no later than 12:00 noon, Friday, March 14, 2008. Cal Am shall

³ The supplement shall be filed and served on all parties listed on the service list no later than 12:00 noon, Friday, March 14, 2008.

specifically address allegations that the separate filings violate the Rate Case Plan and create practical issues in managing the proceedings.

IT IS SO RULED.

Dated March 4, 2008, at San Francisco, California.

/s/ CHRISTINE M. WALWYN by MAB

Christine M. Walwyn
Administrative Law Judge

/s/ MARIBETH A. BUSHEY

Maribeth A. Bushey
Administrative Law Judge

INFORMATION REGARDING SERVICE

I have provided notification of filing to the electronic mail addresses on the attached service list.

Upon confirmation of this document's acceptance for filing, I will cause a Notice of Availability of the filed document to be served upon the service list to this proceeding by U.S. mail. The service list I will use to serve the Notice of Availability of the filed document is current as of today's date.

Dated March 4, 2008, at San Francisco, California.

/s/ ROSCELLA GONZALEZ

Roscella Gonzalez